SENATE DEMOCRATIC CAUCUS

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Senate Democrats, Consumer Advocates Call for Additional Heating and Energy Assistance

March 31st Deadline will Cut Off Protection for Seniors and Low Income Residents

LANSING- Citing recent action by the U.S. Senate and continued high energy costs, state Senators Mark Schauer (D-Battle Creek), Deb Cherry (D-Burton), and Mike Prusi (D-Ishpeming) today joined members of advocacy groups in calling for federal action to help consumers. The U.S. Senate passed legislation earlier this week that would provide an additional \$1 billion for the Low Income Home Energy Assistance Program (LIHEAP), which helps low-income families and seniors pay their energy bills. The U.S. House of Representatives has yet to act on similar legislation.

"Despite the relatively mild temperatures we've seen in Michigan over the past few months, heating bills are higher than ever before at a time when Michigan's families can least afford it," said Schauer. "And it's not just home heating. Gas prices have spiked again and with the summer travel season right around the corner they are not likely to go down any time soon. We must act now."

Senate Democrats are calling for action on resolutions that ask Congress and the President to address high home heating and gas costs. In October, Schauer and Senate Democrats introduced Senate Resolution 71 asking Congress to approve more money for the LIHEAP program. Senate Resolution 61 was introduced in early September and calls upon Bush to take action to ease the strain of high oil prices.

"Some assistance has increased, but it is far from enough," said Cherry. "Additional help is vital to the survival of many citizens. The assistance thus far basically puts a band-aid on a gushing wound."

Senator Schauer was joined at the event by representatives from AARP, the Michigan League for Human Services and Michigan Community Action Agencies. Attendees noted that time was running out for one state level program.

"Without help from the federal government, many citizens will struggle to pay heating bills stacked up from winter that they may never be able to afford," said Kathy Walgren of The Heat

And Warmth (THAW) Fund. "Passing this resolution will send a message to the federal government that there is no place left for the poor and elderly to turn."

The Winter Protection Plan protects senior and low-income customers of MPSC- regulated natural gas and electric companies, rural electric cooperatives, and alternative electric suppliers from electric or natural gas service shut-off and high utility payments between November 1 and March 31. Eligible citizens participating in Winter Protection are not required to make specific monthly payments between November 1 and March 31. At the end of the protection period, both low-income and senior citizens taking part in the plan must pay off any money owed in installments between April and November.

"Winter in the U.P. is far from over," said Prusi. "Despite the fact that we get most of our natural gas from Canada rather than the Gulf, we somehow still pay inflated prices. We must send a message to Congress now."

While consumers struggle with high costs at home, they are also getting pinched at the pump. The average gas price nationwide is more than 80% higher than a year ago. In Michigan, the average reached \$3.26 per gallon after Hurricane Katrina devastated the Gulf Coast. When Governor Granholm intervened after Katrina, she helped convince oil companies to reduce the price by 8% almost immediately. Recently prices have reached \$2.56 per gallon in Lansing and Grand Rapids, still up 125% under the Bush Administration. At the same time, oil companies like Exxon Mobil have brought in record-breaking profits.

"It's not fair for Big Oil companies to rake in record profits while consumers can't even afford to drive to work or pay their heating bills.," said Schauer. "The federal government must hear our cry for help. The Governor has provided excellent leadership on this issue, but there's only so much we can do at the state level."

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